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C O N F I D E N T I A L SECTION 1 OF 2 TEHRAN 2069

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SUBJECT: IRANIAN RESURGENCE PARTY CREATED BY SHAH

SUMMARY: CREATION OF IRANIAN RESURGENCE PARTY ANNOUNCED BY SHAH MARCH 2 IS MOVE TO SEEK BROADER SUPPORT FOR MONARCHY AND THE SHAHPEOPLE REVOLUTION. ALL IRANIANS OF VOTING AGE ARE EXPECTED TO EXPRESS ALLEGIANCE TO NEW PARTY OR RISK BEING VIEWED AS OPPONENTS OF SHAH AND EVEN TRAITORS WHO SHOULD LEAVE IRAN OR GO TO PRISON. SHAH EXPLAINED IRAN'S RETURN TO SINGLE PARTY SYSTEM AS NECESSARY BECAUSE QTE SHAMEFUL UTTERANCES UNQTE BY SOME IRANIANS SHOWED NEED FOR IRANIANS TO CLOSE RANKS IN EFFORTS TO ACHIEVE QTE GREAT CIVILIZATION, UNQTE AND BECAUSE OPPOSITION PARTIES HAD FAILED. ELECTIONS SCHEDULED FOR SUMMER WILL APPARENTLY BE HELD, BUT IT IS NOT CLEAR HOW THEY WILL BE ORGANIZED. NET RESULT IS TO MAKE IRANIAN POLITICAL SYSTEM LESS FLEXIBLE. INTERNATIONAL REACTION WILL PROBABLY RANGE FROM INDIFFERENCE TO CHARGES OF INCREASED TOTALITARIANISM. SHAH APPARENTLY PLANS TO CONTINUE ACTIVE INVOLVEMENT IN DAILY POLITICAL AFFAIRS. THIS IS CONTRARY TO EARLIER SUGGESTIONS THAT HE MIGHT BE MOVING GRADUALLY TO CONFINE HIMSELF TO BROAD POLICY GUIDANCE AND LEAVE IMPLEMENTATION TO GOVERNMENT. END SUMMARY.

- 11. SHAH'S LENGTHY STATEMENT AT HIS MARCH 2 PRESS CONFERENCE, FROM WITH CORRESPONDENTS FOR FOREIGN MEDIA WERE EXCLUDED, (TEXT SENT BY AIRGRAM) ESTABLISHED IRANIAN RESURGENCE PARTY. NEW PARTY WILL ABSORB RULING IRAN NOVIN PARTY, LOYAL OPPOSITION MARDOM PARTY, AND THE ULTRA-NATIONALIST PAN IRANIST PARTY AND ITS SPLINTER GROUP THE IRANIANS PARTY. PRIME MINISTER HOVEYDA IS TO BE SECRETARY GENERAL FOR A PERIOD OF AT LEAST TWO YEARS. SHAH WILL LATER PROPOSE CHAIRMAN OF NEW PARTY'S EXECUTIVE BOARD AND PRESIDENT FOR ITS POLITICAL BUREAU. A PARTY CONGRESS WILL BE HELD, PERHAPS WITHIN TWO MONTHS. GENERAL ELECTIONS WILL BE HELD THIS SUMMER UNDER AUSPICES OF NEW PARTY.
- 12. SHAH'S STATEMENT BEGAN WITH FAMILIAR RECITATION OF IRAN'S GROWING SELF-RELIANCE AND ECONOMIC INDEPENDENCE CONTRASTING SHARPLY WITH ITS RELATIVE WEAKNESS IN FIRST HALF OF CENTURY. HE NOTED THAT OPPOSITION PARTIES WERE CREATED IN RESPONSE TO HIS OWN WISHES AND COMMENTED THAT THEY HAD BEEN FACED WITH A DIFFICULT TASK. SHAH OBSERVED THAT THEY HAD FAILED TO FULFILL THEIR PROPER ROLE. HE COMMENTED THAT SOME IRANIANS HAD MADE QTE SHAMEFUL UTTERANCES UNOTE WHICH REFLECTED A LACK OF UNDERSTANDING OF IRAN' GOALS. IN ORDER TO WELD ALL IRANIANS TOGETHER IN PURSUIT OF GOALS OF THE SHAH-PEOPLE REVOLUTION, HE HAD, THEREFORE, DECIDED TO CREATE NEW ORGANIZATION WHICH WOULD SUPPRESS PARTY DIFFERENCES. ONLY REQUIREMENTS FOR MEMBERSHIP IN NEW ORGANIZATION WOULD BE LOYALTY TO (1) MONARCHY, (2) IRAN'S CONSTITUTION, AND (3) SIXTH OF BAHMAN (SHAHPEOPLE) REVOLUTION. HE SPECIFICALLY SAID NEW PARTY WOULD FOSTER CONSTRUCTIVE CRITICISM, AND HE PREDICTED THAT POLITICAL WINGS WOULD EVOLVE WITHIN NEW PARTY. HE URGED ALL IRANIANS ELIGIBLE TO VOTE TO ENTER INTO NEW POLITICAL STRUCTURE OR CLARIFY THEIR POSITION. BY THIS HE MEANT THAT THOSE WHO COULD NOT AGREE WITH THE THREE PRINCIPLES SHOULD LEAVE IRAN OR GO TO PRISON AS TRAITORS UNLESS THEY OPENLY EXPRESSED THEIR DISAPPROVAL AND WERE NOT ANTINATIONAL. IF DISAPPROVAL IS IDEOLOGICAL, PERSON WOULD REMAIN FREE IN IRAN BUT QTE SHOULD NOT HAVE ANY EXPECTATIONS UNQTE. FULL PARTICIPATION IN IRAN'S PROGRESS WOULD OBVIOUSLY REQUIRE MEMBERSHIP IN THE IRAN RESURGENCE PARTY. HE SAID IT WAS HIS EXPECTATION THAT WORKERS, FARMERS, AND TEACHERS WOULD BE THE FIRST GROUPS TO ANNOUNCE THEIR LOYALTY TO THE NEW PARTY.
- 13. COMMENT: ABOVE ALL, SHAH'S ACTION IN RETURNING TO SINGLE PARTY SYSTEM OF 1964-67 PERIOD SHOWS HIS EXTREME SENSITIVITY TO CRITICISM AND STRONG DESIRE TO RECEIVE OVERT EVIDENCE OF POPULAR SUPPORT. AFTER HE EXPERIMENTED WITH TAME OPPOSITION PARTIES IN 1956-64 PERIOD WITH POOR RESULTS, SHAH THEN TURNED TO HASSAN ALI MANSUR'S PROGRESSIVE SOCIETY TO CREATE IRAN NOVIN PARTY AS INSTRUMENT TO IMPLEMENT HIS SIXTH OF BAHMAN REVOLUTION. MARDOM PARTY

WAS SUBSEQUENTLY REJUVENATED TO STIMULATE IRAN NOVIN TO PERFORM MORE EFFECTIVELY. DESPITE CONSTANT STATEMENTS OF LOYALTY TO SHAH AND HIS PLANS FOR IRAN, PARTIES HAVE APPARENTLY NOT PLEASED HIM. AS INDICATED BY FAILURES OF FORMER MARDOM PARTY SECRETARIES GENERAL ALI NAQI AND NASSER AMERI, EVEN ACTIVITIES OF GELDED OPPOSITION HAD PROVED TOO CRITICAL FOR SHAH'S TASTE. NEVERTHELESS HIS PAST STATEMENTS INDICATED CONTINUING SUPPORT FOR COCCEPT OF MULTI-PARTY SYSTEM IN IRAN, AND IMPERIAL DECISION TO INSTITUTE ONEPARTY STATE REPRESENTS 180-DEGREE SHIFT IN POLICY WHICH ALSO APPEARS TO NEGATE EARLIER PROMISES OF FREER ELECTIONS LATER THIS YEAR. KEY SECTION OF SPEECH IS COMMENT THAT HE HAD HEARD QTE SOME REALLY SHAMEFUL UTTERANCES, WHICH IN NOW WAY SHOULD BE EXPECTED FROM AN IRANIAN. THIS SCENE, OF COURSE, HAS ALWAYS RECURRED WHEN IRAN HAS BEEN ENGAGED IN THE DEFENCE OF ITS RIGHTS AT A HISTORIC JUNCTURE. THIS SITUATION IS INTOLERABLE, UNQTE UNDER THESE CIRCUMSTANCES WE DOUBT THAT MUCH CONSTRUCTIVE CRITICISM WILL EMERGE FROM THE IRANIAN RESURGENCE PARTY.

- 14. IN OPERATIONAL TERMS LITTLE HAS CHANGED, FOR DESPITE FACADE OF QTE ME-TOO UNQTE OPPOSITION PARTIES SHAH HAS ALWAYS CALLED THE TUNE AND ONLY RULING IRAN NOVIN PARTY HAD ANY IMPORTANCE. PRIME MINISTER HAS BEEN LEAD DANCER, AND HIS SELECTION AS SECGEN AT JANUARY PARTY CONGRESS HAD TIED IRAN NOVIN PARTY EVEN CLOSER TO SHAH. IMMEDIATE CONSEQUENCE OF NEW MOVE HAS BEEN FLOOD OF STATEMENTS OF LOYALTY TO SHAH, CONSTITUTION AND REVOLUTION, BOTH BY GROUPS AND INDIVIDUALS. THERE IS CLEARLY NO VIABLE ALTERNATIVE FOR IRANIANS WHO WANT TO PARTICIPATE ACTIVELY IN IRAN'S DEVELOPMENT AND SHARE ITS PROSPERITY. ALL DIFFERENCES OF VIEW ON HOW TO IMPLEMENT SHAH'S PLAN FOR IRAN WILL BE SUPPRESSED UNTIL NEW PARTY DEVELOPS AN IDEOLOGY AND ITS LEADERSHIP IS CONSTITUTED.
- 15. SHAH'S SPEECH IS VAGUE ON GOALS OF IRANIAN RESURGENCE PARTY AND MANY OTHER POINTS. IT IS NOT CLEAR, FOR EXAMPLE, HOW CANDIDATES WILL BE SELECTED FOR SUMMER ELECTIONS AND ON WHAT PLATFORMS THEY WILL RUN. SPEECH SHOWS SIGNS OF HURRIED PREPARATION FOR ISSUANCE PRIOR TO HIS DEPARTURE FOR ALGIERS. WHILE MOST IRANIANS WILL ACCEPT NEW CHANGE WITH TYPICAL CYNICISM, IMPLIED CRITICISM OF ALL PARTIES FOR FAILING TO GET BEHIND SHAH'S PUSH FOR REVOLUTION FROM THE TOP MAY ALIENATE SOME PEOPLE, PARTICULARLY THOSE WHO HAVE WORKED HARD FOR IRAN NOVIN PARTY ON ASSUMPTION THEY WERE CARRYING OUT SHAH'S WISHES.
- 16. INTERNATIONAL REACTION WILL PROBABLY VARY FROM INDIFFERENCE TO INCREASINGLY SHRILL CHARGES OF TOTALITARIANISM. IRAN'S IMAGE AS COUNTRY IN WHICH ALL ELEMENTS WERE BEING TAPPED IN DEVELOPMENT PROCESS MAY SUFFER UNLESS NEW PARTY'S MEMBERSHIP COMES FROM BROAD SPECTRUM. IT APPEARS THAT EARLIER SUCCESSFUL IRANIAN POLICY OF COMPROMISE AND COOPERATION HAS BEEN REPLACED BY QTE TAKE IT OR LEAVE IT UNQTE STANCE IN DEALING WITH OPPOSITION.
- 17. IN A-19 EMBASSY NOTED THAT SHAH HOPES TO MOVE TOWARD SITUATION IN WHICH HE GIVES POLICY GUIDANCE BUT KEEPS HIS DISTANCE FROM DAILY ACTIVITIES OF GOVERNMENT. INITAL IMPRESSION OF HIS ACTION IN CREATING NEW POLITICAL PARTY AND FORECASTING HIS PERSONAL SELECTION OF SOME OF ITS LEADERS IS THAT HE HAS RETURNED TO MORE DIRECT INVOLVEMENT IN THE BUSINESS OF GOVERNMENT. BETTER JUDGMENT ON THIS POINT CAN BE MADE WHEN FUNCTION OF NEW PARTY BECOME CLEAR.
- 18. IN SUM, GIVEN EXISTING STRICT DEGREE OF POLITICAL CONTROLS, SHAH'S DECISION TO MELD ALL POLITICAL PARTIES INTO ONE APPEARS TO OFFER LITTLE IN WAY OF IMPROVEMENTS TO IRANIAN POLITICAL SYSTEM WHILE ADDING SEVERAL DISADVANTAGES BOTH DOMESTICALLY AND INTERNATIONALLY.

## HELMS

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